

## DEFINITIONS

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This list of terms is intended to include those that have specific meaning to the National Flood Insurance Program (NFIP). In a few instances, standard industry terms have been added for additional focus and emphasis.

**Act**--The National Flood Insurance Act of 1968 and Flood Disaster Protection Act of 1973, both as amended.

**Actual Cash Value (ACV)**--The replacement cost of an insured item of property at the time of loss, less the value of physical depreciation as to the item damaged.

**Anchored**--Adequately secured to prevent flotation, collapse, or lateral movement.

**Appurtenant Structure**--A detached garage or carport servicing a 1-4 family dwelling.

**Assignment**--The transfer by a policyholder of his/her legal right or interest in a policy contract to a third party. In the NFIP, written assignment of a policy is permissible upon transfer of title without the consent of the Administrator except in the case where a residential (household) contents-only policy is involved or a policy was issued to cover a 1-4 family residential building in the course of construction.

**Association**--A group of unit owners that manages the described **Condominium Building**.

**Base Flood**--The flood having a 1 percent chance of being equaled or exceeded in any given year.

**Base Flood Depth (BFD)**--The depth shown on the Flood Insurance Rate Map (FIRM) for Zone AO that indicates the depth of water above highest adjacent grade resulting from a flood that has a 1 percent chance of equaling or exceeding that level in any given year.

**Base Flood Elevation (BFE)**--The elevation shown on the Flood Insurance Rate Map (FIRM) for Zones AE, AH, A1-A30, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V1-V30, and VE that indicates the water surface elevation resulting from a flood that has a 1 percent chance of equaling or exceeding that level in any given year.

**Basement**--Any area of a building which has its floor subgrade (below ground level) on all sides.

**Binder**--A temporary agreement between company, producer, and insured that the policy is in effect. ***Binders are not permitted under the NFIP.***

**Blanket Insurance**--A single amount of insurance applying to more than one building and/or contents. ***Blanket insurance is not permitted under the NFIP.***

**Breakaway Wall**--A wall that is not part of the structural support of the building and is intended through its design and construction to collapse under specific lateral loading forces, without causing damage to the elevated portion of the building or supporting foundation system.

**Building (Eligible Building)**--A walled and roofed building, other than a gas or liquid storage tank, that is principally above ground and affixed to a permanent site, including a building in the course of construction, alteration, or repair, and a manufactured (mobile) home on a foundation; also a building that is located in a participating community and has not been declared by a state or local government to be in violation of its floodplain management requirements.

**Building in the Course of Construction**--A walled and roofed building (see page GR 3 for exception) that is principally above ground and affixed to a permanent site. It does not include building materials or supplies intended for use in such construction, alteration, or repair unless such materials or supplies are within an enclosed building on the premises.

**Cistern**--Covered cisterns and their contents are defined as an integral part of an insurable building, meaning under the building or above ground and physically attached to a side of the building with one of the walls of the building and cistern being common to each other.

**Claims Coordinating Office (CCO)**--A clearinghouse for the various insurers who are responding to a multi-peril catastrophe. Through voluntary participation, all losses are reported to the Claims Coordinating Office and are processed to locate address matches among the reported claims. The interest of each carrier is protected as the Claims Coordinator maintains sole control over the policy and loss information. If a match is found, special care is taken to direct the assigned adjuster(s) to a mutually agreeable adjustment or to have one adjuster surrender his/her loss with the assurance that every effort will be made to replace it.

**Coastal Barrier**--A naturally occurring island, sandbar, or other strip of land, including coastal mainland, that protects the coast from severe wave wash.

**Coastal Barrier Improvement Act of 1990 (CBIA)**--Enacted on November 16, 1990, the Act greatly expanded the identified land in the Coastal Barrier Resources System (CBRS) established pursuant to the Coastal Barrier Resources Act of 1982.

**Coastal Barrier Resources Act of 1982 (CBRA)**--For the purposes of the NFIP, the Coastal Barrier Resources Act of 1982 designated certain portions of the Gulf and East Coasts as undeveloped coastal barriers. These areas are shown on appropriate flood insurance map panels and have certain coverage restrictions.

**Coastal Barrier Resources System (CBRS)**--Communities, coastal barriers, and other protected areas identified by the Department of the Interior legislation defined above.

**Coastal High Hazard Areas**--Special flood hazard areas along the coasts that have additional hazards due to wind and wave action. These areas are identified on Flood Insurance Rate Maps as Zones V, V1-V30, and VE.

**Coinurance**--This provision reduces the loss payment if the insured does not carry coverage equal to at least 80 percent of the replacement cost of the damaged building.

**Community**--A political entity that has the authority to adopt and enforce floodplain ordinances for the area under its jurisdiction.

**Community Number**--A 6-digit designation identifying each NFIP community. The first two numbers are the state code. The next four are

the FIA-assigned community number. An alphabetical suffix is added to a community number to identify revisions in the Flood Insurance Rate Map (FIRM) for that community.

**Community Rating System (CRS)**--A program developed by FIA to provide incentives for those communities in the Regular Program that have gone beyond the minimum floodplain management requirements to develop extra measures to provide protection from flooding.

**Condominium**--A system of individual ownership of units in a multi-unit **building** or **buildings** or in single-unit **buildings** in which each unit owner has an undivided interest in the common areas of the **building(s)** and facilities that serve the **building(s)**.

**Condominium Association**--A corporation made up of owners of the condominium buildings. The condominium association is responsible for (1) the operation and (2) the adoption and enforcement of rules or bylaws that govern the owners of the condominium buildings.

**Control Office**--An NFIP claims office similar to a Flood Insurance Claims Office (FICO) with the exception that the control office does not (1) maintain insured files, (2) maintain a claims examiner staff at the site, and (3) issue claim payments.

**Countywide Map**--A Flood Insurance Rate Map (FIRM) that shows flooding information for the entire geographic area of a county, including the incorporated communities within the county.

**Date of Construction**--The date that the building permit was issued provided the actual start of construction, repair, reconstruction, or improvement was within 180 days of the permit date.

**Deductible Buyback**--For an additional premium, policyholders who wish to reduce their deductibles from the standard deductibles of \$1,000 for Pre-FIRM risks may opt to purchase separate \$500 deductibles for building and contents coverages.

**Diagram Number**--The diagram numbers on the FEMA Elevation Certificate identify the various types of buildings.

**Direct Physical Loss By or From Flood**--Any loss in the nature of actual loss of or physical

damage, evidenced by physical changes, to the insured property (**building** or personal property) which is directly and proximately caused by a "**flood**" (as defined in the **policy forms**).

**Doublewide Manufactured (Mobile) Home**--A manufactured (mobile) home that, when assembled as a nonmovable, permanent building, is at least 16 feet wide with an area within its perimeter walls of at least 600 square feet. A doublewide is not classified as a manufactured (mobile) home for insurance rating purposes under the NFIP, but is to be classified under one of the other building types.

**Dwelling Form**--See Standard Flood Insurance Policy--Dwelling Form.

**Elevated Building**--A non-basement **building** that has its lowest elevated floor raised above the ground level by foundation walls, shear walls, posts, piers, pilings, or columns.

**Emergency Program**--Typically the first phase under which a community participates in the NFIP. It is intended to provide a first layer amount of insurance at subsidized rates to all insurable structures in that community before the effective date of the initial Flood Insurance Rate Map (FIRM).

**Enclosure**--That portion of an elevated building below the lowest elevated floor that is either partially or fully shut-in by rigid walls.

**Erosion**--The collapse, undermining, or subsidence of land along the shore of a lake or other body of water. Erosion is a covered peril if it is caused by waves or currents of water exceeding their cyclical levels which result in flooding.

- **Expense Constant**--A flat charge per policy term, paid by the insured to defray the federal government's policywriting and other expenses.

**Federal Emergency Management Agency (FEMA)**--The federal agency under which the National Flood Insurance Program (NFIP) is administered.

**Federal Insurance Administration (FIA)**--The federal entity within FEMA that directly administers the National Flood Insurance Program (NFIP).

**Federal Policy Fee**--Mandated by the Congress to provide funds to meet those administrative expenses such as federal floodplain

management expenses, the cost of flood insurance risk zone and flood elevation studies, and funds to purchase high risk properties to remove them from the insurance rolls. This fee is not subject to producers' commissions, WYO Company expense allowances under the Financial Assistance/Subsidy Arrangement, or state or local premium taxes. The Federal Policy Fee is charged for all new and renewal policies.

**Financial Assistance/Subsidy Arrangement**--The arrangement between a WYO insurance company and the Administrator to initiate a company's participation in the WYO Program. It establishes the duties of the company and the government.

**Flood**--A general and temporary condition of partial or complete inundation of normally dry land areas from:

- Overflow of inland or tidal waters.
- The unusual and rapid accumulation or runoff of surface waters from any source.
- Mudslides (i.e., mudflows) which are proximately caused by flood, as defined above, and are akin to a river of liquid and flowing mud on the surface of normally dry land areas, as when earth is carried by a current of water and deposited along the path of the current.
- The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding the cyclical levels which result in flood, as defined above.

**Flood Hazard Boundary Map (FHBM)**--Official map of a community issued by the Administrator, where the boundaries of the flood, mudslide (i.e., mudflow), and related erosion areas having special hazards have been designated.

**Flood Insurance Claims Office (FICO)**--An NFIP claims processing office set up in a catastrophe area when a sufficient number of flood claims result from a single event.

**Flood Insurance Rate Map (FIRM)**--Official map of a community on which the Administrator has delineated both the special hazard areas

and the risk premium zones applicable to the community.

**Floodplain**--Any land area susceptible to being inundated by flood waters from any source.

**Floodplain Management**--The operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to, emergency preparedness plans, flood control works, and floodplain management regulations.

**Floodproofing**--Any combination of structural and nonstructural additions, changes, or adjustments to structures, which reduce or eliminate risk of flood damage to real estate or improved real property, water and sanitation facilities, or structures with their contents.

**Flood Response Office (FRO)**--The FRO will provide a local presence in the affected area and will provide support to the WYO companies, the NFIP Servicing Agent, and various federal, state, and local officials in answering claims coverage questions, providing survey and statistical input, as well as any required forms for claim handling. Additionally, one of the key requirements of personnel at the FRO will be to coordinate and conduct reinspections of WYO and NFIP-Direct losses. The FRO will also track adjuster performance and provide such information to interested WYO and NFIP-Direct companies.

**Freeboard**--An additional amount of height above the Base Flood Elevation used as a factor of safety (e.g., 2 feet above the Base Flood) in determining the level at which a structure's lowest floor must be elevated or floodproofed to be in accordance with State or community floodplain management regulations.

**General Property Form**--See Standard Flood Insurance Policy--General Property Form.

**Grade Elevation**--The average or highest natural (pre-construction) ground level that is immediately adjacent to the walls of the building.

**Grandfathering**--An exemption based on circumstances previously existing. Under the NFIP, buildings located in Emergency Program communities and Pre-Flood Insurance Rate Map buildings in the Regular Program are eligible for subsidized flood insurance rates. Post-Flood Insurance Rate Map buildings in the

Regular Program built in compliance with the floodplain management regulations in effect at the start of construction will continue to have favorable rate treatment even though higher base flood elevations or more restrictive, greater risk zone designations result from Flood Insurance Rate Map revisions.

**Group Flood Insurance**--Issued by the NFIP Direct Program in response to a Presidential disaster declaration. Disaster assistance applicants, in exchange for a modest premium, receive a minimum amount of building and/or contents coverage for a 3-year policy period. An applicant may cancel the group policy at any time and secure a regular Standard Flood Insurance Policy through the NFIP.

**High-Rise Building**--High-rise condominium buildings are defined as containing at least 5 or more units, and at least 3 floors excluding enclosure even if it is the reference level for rating purposes. Note that an enclosure below an elevated building, even if it is the reference level for rating purposes, cannot be counted as a floor to avoid being classified as a low-rise building.

**Historic Building**--Any building that is:

- Listed individually in the National Register of Historic places (a listing maintained by the Department of the Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register.
- Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district.
- Individually listed in a state inventory of historic places in states with preservation programs that have been approved by the Secretary of the Interior.
- Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either:
  - By an approved state program as determined by the Secretary of the Interior, or

- Directly by the Secretary of the Interior in states without approved programs.

**Improvements and Betterments**--Fixtures, alterations, or additions comprising a part of the insured building, including the units within the insured condominium building.

**Increased Cost of Compliance Endorsement**

--Coverage for expenses a property owner must incur, above and beyond the cost to repair the physical damage the structure actually sustained from a flooding event, to comply with State or local floodplain management ordinances or laws. Acceptable mitigation measures are elevation, floodproofing, relocation, demolition, or any combination thereof.

All renewal and new business policies with effective dates on or after June 1, 1997, will include ICC coverage. Policyholders with 3-year policies have options of canceling their flood insurance policies on the anniversary dates and obtaining coverage under rewritten policies.

**Letter of Map Amendment (LOMA)**--An amendment to the currently effective FEMA map which establishes that a property is not located in a Special Flood Hazard Area (SFHA). A LOMA is issued only by FEMA.

**Letter of Map Revision (LOMR)**--An official amendment to the currently effective FEMA map. It is issued by FEMA and changes flood zones, delineations, and elevations.

**Loss in Progress**--A loss that is already in progress as of 12:01 a.m. on the first day of the policy term; or, as to any increase in the limits of coverage which is requested, a loss that is already in progress when the additional coverage is requested.

**Lowest Adjacent Grade**--The lowest point of the ground level next to the building.

**Lowest Floor (Reference Level)**--The lowest floor of the lowest enclosed area (including a basement). An unfinished or flood-resistant enclosure, usable solely for parking of vehicles, building access, or storage in an area other than a basement area, is not considered a building's lowest floor provided that such enclosure is not built so as to render the structure in violation of requirements.

**Lowest Floor Elevation (LFE)**--The measured distance of a building's lowest floor above the National Geodetic Vertical Datum (NGVD) or

other datum specified on the FIRM for that location.

**Low-Rise Building**--Low-rise condominium buildings are defined as having less than five units regardless of the number of floors or having five or more units with less than three floors including basement. In addition, all townhouses/rowhouses regardless of the number of floors or units, and single-family detached condominium buildings are classified as low rise. Note that an enclosure below an elevated building, even if it is the reference level for rating purposes, cannot be counted as a floor to avoid being classified as a low-rise building.

**Mandatory Purchase**--Under the provisions of the Flood Disaster Protection Act of 1973, individuals, businesses, and others buying, building, or improving property located in identified areas of special flood hazards within participating communities are required to purchase flood insurance as a prerequisite for receiving any type of direct or indirect federal financial assistance (e.g., any loan, grant, guaranty, insurance, payment, subsidy, or disaster assistance) when the building or personal property is the subject of or security for such assistance.

**Manufactured (Mobile) Home**--A building transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when attached to the required utilities. The term "manufactured (mobile) home" does not include a "recreational vehicle."

**Manufactured (Mobile) Home Park or Subdivision, Existing**--A manufactured (mobile) home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured (mobile) homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or before December 31, 1974, or before the effective date of the community's initial FIRM, whichever is later.

**Manufactured (Mobile) Home Park or Subdivision, Expansion to Existing Site**--The preparation of additional sites by the construction of facilities for servicing the lots on which manufactured (mobile) homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

**Manufactured (Mobile) Home Park or Subdivision, New**--A manufactured (mobile) home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured (mobile) homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed after December 31, 1974, or on or after the effective date of the community's initial FIRM, whichever is later.

**Map Revision**--A change in the FHBM or FIRM for a community which reflects revised zone, base flood, or other information.

**Mean Sea Level**--See National Geodetic Vertical Datum (NGVD).

**Modular Building**--A building that is usually transported to its site on a steel frame or special trailer because it does not have a permanent chassis like a manufactured (mobile) home. A modular building is classified and rated under one of the other building types.

**Mortgage Portfolio Protection Program (MPPP)**--A program designed to assist lending institutions to maintain compliance with the Flood Disaster Protection Act of 1973, as amended. Policies written under the MPPP can be placed only through a WYO Company.

**Mudflow (Mudslide)**--A river flow or inundation of liquid mud down a hillside, usually as a result of a dual condition of loss of brush cover and the subsequent accumulation of water on or under the ground, preceded by a period of unusually heavy or sustained rain.

**Mudslide**--See Flood.

**National Geodetic Vertical Datum (NGVD)**--National standard reference datum for elevations, formerly referred to as Mean Sea Level (MSL) of 1929. NGVD is used as the reference datum on most FIRMs.

**Natural Grade**--The grade unaffected by construction techniques such as fill, landscaping, or berming.

**New Construction**--Buildings for which the "start of construction" commenced on or after the effective date of an initial FIRM or after December 31, 1974, whichever is later, including any subsequent improvements.

**NFIP Bureau and Statistical Agent**--A corporation, partnership, association, or any other organized entity that contracts with the Federal Insurance Administration to be the focal point of support operations for the NFIP.

**NFIP Servicing Agent**--A corporation, partnership, association, or any other organized entity that contracts with the Federal Insurance Administration to service insurance policies as direct business.

**Non-Residential**--Includes, but is not limited to: small business concerns, churches, schools, farm buildings (including grain bins and silos), poolhouses, clubhouses, recreational buildings, mercantile structures, agricultural and industrial structures, warehouses, and hotels or motels with normal room rentals for less than 6 months' duration.

**Nullification**--An insurance contract that has been declared invalid from its inception; i.e., the insurance contract never existed.

**Other Residential**--Hotels or motels where the normal occupancy of a guest is 6 months or more; a tourist home or rooming house which has more than 4 roomers. A residential building (excluding hotels and motels with normal room rentals for less than 6 months' duration and containing more than 4 dwelling units) is permitted incidental office, professional private school, or studio occupancy, provided that the total area of such occupancy is limited to less than 25 percent of the total floor area within the building.

**Participating Community**--A community for which the Administrator has authorized the sale of flood insurance under the NFIP.

**Ponding Hazard**--A flood hazard that occurs in flat areas when there are depressions in the ground that collect "ponds" of water. The ponding hazard is represented by the zone designation AH on the FIRM.

**Post-FIRM Construction**--Construction or substantial improvement that started on or after the effective date of the initial Flood Insurance Rate Map (FIRM) of the community **or** after December 31, 1974, whichever is later.

**Pre-FIRM Construction**--Construction or substantial improvement which started on or before December 31, 1974, **or** before the

effective date of the initial Flood Insurance Rate Map (FIRM) of the community, whichever is later.

**Preferred Risk Policy (PRP)**--A package policy offering nine coverage combinations for both building and contents at a fixed premium. It is available only to owners of 1-4 family residential buildings located in B, C, and X Zones that meet eligibility requirements based on an entire flood loss history.

**Prepaid Amount (Total)**--The total amount that must be submitted with an Application or renewal in order to be acceptable for coverage. It is determined by adding the Federal Policy Fee to the Total Prepaid Premium.

**Prepaid Premium (Total)**--The amount on the Application (excluding the Preferred Risk Application) that includes the Annual Subtotal and the Expense Constant.

**Presentment of Payment (Premium)**--The date of receipt of premium at the office of the NFIP or the date of certified mail. In the case of transfer of title, the date of settlement or closing, when the premium is paid at that time.

**Principal Residence**--A single family dwelling in which at the time of loss, the named insured or the named insured's spouse has lived for either (1) 80 percent of the calendar year, or (2) 80 percent of the period of ownership, if less than 1 year.

**Principally Above Ground**--A building having at least 51 percent of its actual cash value, including machinery and equipment, above ground.

**Probation**--A means of formally notifying participating communities of violations and deficiencies in the administration and enforcement of the local floodplain management regulations.

**Probation Additional Premium**--A flat charge per **policy** term paid by the Insured on all new and renewal **policies** issued covering property in a community that has been placed on probation under the provisions of 44 CFR 59.24.

**Proper Openings - Enclosures (Applicable to Zones A, A1-A30, AE, AO, AH, AR, and AR Dual Zones)**--All enclosures below the lowest elevated floor must be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and

exit of floodwaters. A minimum of two openings, with positioning on at least two walls, having a total net area of not less than 1 square inch for every square foot of enclosed area subject to flooding must be provided. The bottom of all openings must be no higher than 1 foot above grade.

**Property Removal Expense--Reasonable** expenses incurred by the insured in the temporary removal and storage of insured property because of the imminent danger of flooding.

**Provisional Rating**--A method for placing flood coverage prior to the receipt of an elevation certificate.

**Recreational Vehicle**--A vehicle that is (1) built on a single chassis, (2) 400 square feet or less when measured at the largest horizontal projections, (3) designed to be self-propelled or permanently towable by a light duty truck, and (4) designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use including, but not limited to, travel trailers, trailers on wheels, park trailers, and other similar vehicles.

**Reference Level**--See Lowest Floor.

**Regular Program**--The phase of a community's participation in the NFIP where more comprehensive floodplain management requirements are imposed and higher amounts of insurance are available based upon risk zones and elevations determined in a flood insurance study. The Flood Insurance Rate Map is the map used in this phase of the NFIP.

**Regular Program Community**--A community wherein a FIRM is in effect and full limits of coverage are available under the Act.

**Repetitive Loss**--See definition on Policy Section page POL 52.

**Replacement Cost**--The cost to replace property with the same kind of material and construction without deduction for depreciation.

**Residential Condominium Building**--A **building** owned by the members of a condominium **association** containing one or more residential **units** and in which at least 75 percent of the floor area within the **building** is residential.

**Residential Condominium Building Association Policy (RCBAP)**--A policy designed to insure, under one master policy, the entire residential condominium building, including all units within the building. It is available only to residential condominium associations.

**Scheduled Building Policy**--A policy that requires a specific amount of insurance to be designated for each building and its contents.

**Section 1316**--Section of the National Flood Insurance Act of 1968, as amended, which states that no new flood insurance coverage shall be provided for any property that the Administrator finds has been declared by a duly constituted state or local zoning authority or other authorized public body to be in violation of state or local laws, regulations, or ordinances that are intended to discourage or otherwise restrict land development or occupancy in flood-prone areas.

**Sheet Flow Hazard**--A type of flood hazard with flooding depths of 1 to 3 feet that occurs in areas of sloping land. The sheet flow hazard is represented by the zone designation AO on the FIRM.

**Single Adjuster Program**--A procedure implemented among the NFIP, various wind pools, and WYO Companies to allow one adjuster to represent both carriers in adjusting a combined wind-water loss where the NFIP has the flood coverage and another carrier has the wind coverage.

**Single Building**--A building that is separated from other buildings by intervening clear space or solid, vertical, load-bearing division walls.

**Single Family Residence**--A residential single family dwelling. Incidental office, professional, private school, or studio occupancies, including a small service operation, are permitted if such incidental occupancies are limited to less than 50 percent of the building's total floor area.

**Special Flood Hazard Area (SFHA)**--Darkly shaded area on a Flood Hazard Boundary Map (FHBM) or a Flood Insurance Rate Map (FIRM) that identifies an area that has a 1 percent chance of being flooded in any given year (100-year floodplain). Over a 30-year period, the life of most mortgages, there is at least a 26 percent chance that this area will be flooded. The FIRM

identifies these shaded areas as FIRM Zones A, AO, AH, A1-A30, AE, A99, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V, V1-V30, and VE.

**Standard Flood Insurance Policy--Dwelling Form**--Policy issued to insure a building and/or residential contents on a single family or a 2-4 family dwelling.

**Standard Flood Insurance Policy--General Property Form**--Policy issued to insure a building and/or contents on other residential or non-residential buildings.

**Standard Flood Insurance Policy--Residential Condominium Building Association Policy**--Policy issued to insure all residential condominium buildings, i.e., those buildings wherein at least 75% of the total floor area within the building is residential, and which are located in Regular Program communities.

**Start of Construction**--For other than new construction or substantial improvements, under the Coastal Barrier Resources Act, this is the date the building permit was issued, provided the actual start of construction, repair, rehabilitation, addition, placement, or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a building on site, such as the pouring of a slab or footing, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured (mobile) home on a foundation. For a substantial improvement, actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

**Submit for Rate**--An application for flood insurance on a building for which no risk rate is published in the Flood Insurance Manual. Insurance coverage can be obtained only after the NFIP has approved the application and has established the risk premium rate.

**Substantial Damage**--Damage of any origin sustained by a building whereby the cost of restoring the building to its before-damaged condition would equal or exceed 50 percent of the market value of the building before the damage occurred.



**Substantial Improvement**--Any reconstruction, rehabilitation, addition, or other improvement of a building, the cost of which equals or exceeds 50 percent of the market value of the building before the "start of construction" of the improvement. Substantial improvement includes buildings that have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either any project for improvement of a building to correct existing state or local code violations or any alteration to a "historic building," provided that the alteration will not preclude the building's continued designation as a "historic building."

**Suspension**--Removal of a participating community from the NFIP because the community has not enacted and/or enforced the proper floodplain management regulations required for participation in the NFIP.

**Tentative Rates**--Unpublished NFIP rates used to issue policies for applications that fail to provide the NFIP with valid actuarial rating information.

**2- to 4-Family Residence**--A residential building (excluding hotels and motels with normal room rentals for less than 6 months' duration) containing no more than 4 dwelling units. Incidental occupancies such as office, professional, private school, or studio space are permitted if the total area of such occupancy is limited to less than 25 percent of the total floor area within the building.

**Underground Building**--A building for which 50 percent or more of the actual cash value, including machinery and equipment that are part of the building, is below ground.

**Unit**--A single family dwelling unit in a **Residential Condominium Building**.

**Valued Policy**--A policy contract in which the Insurer and the Insured agree on the value of the property insured; that value being payable in the event of total loss.

**Variance**--A grant of relief by a participating community from the terms of its floodplain management regulations.

**Waiting Period**--The time between the date of application and the policy effective date.

**Walled and Roofed**--A building having in place two or more exterior rigid walls and the roof fully secured so that the building will resist flotation, collapse, and lateral movement.

**Wave Height Adjustment**--A measurement that is added to the base flood elevation for V Zones shown on the Flood Insurance Rate Map published prior to 1981. For coastal communities, the base flood elevation shown on Flood Insurance Rate Maps published prior to 1981 are stillwater elevations, which include only the effects of tide and storm surge, and **not** the height of wind-generated waves.

**Write Your Own (WYO) Program**--A cooperative undertaking of the insurance industry and the Federal Insurance Administration begun in October 1983. The WYO Program operates within the context of the NFIP and involves private insurance carriers who issue and service National Flood Insurance Program policies.

**Zone**--A geographical area shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map that reflects the severity or type of flooding in the area.